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Energy Policy WA – DEED
Department of Energy & Economic Diversification (DEED)
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Stakeholder Feedback – AES Code of Practice for Single Property Network services

To Whom It May Concern:

We refer to our previous submission dated 5 May 2026 and to the materials released for consultation in August 2026 (the Exposure Draft AES Code of Practice 2027, the Reading Guide – Single Property Networks AES, and the Customer information paper on proposed new SPN protections).

We act for commercial property owners of shopping centres, large format retail, office and industrial assets in Western Australia. We continue to support clear disclosure, fair contracts and minimum metering and billing standards for customers within an SPN. The latest draft, however, still leaves a structural gap that will operate against smaller and mid-sized property owners and in favour of the largest national energy consumers and retailers; as well as potentially discouraging investment into renewal energy.

1. Price regulation must apply to all customers in a multi-tenanted commercial SPN

The draft Code applies a standard tariff (Synergy L1 or L3) to small-use customers but leaves large-use customers (more than 160 MWh in any 12-month period) free to negotiate any price. In a shopping centre that distinction does not reflect how the network actually works, and it will produce the opposite of the fairness the framework is intended to deliver.

In a multi-tenanted retail centre, the SPN is a single shared piece of infrastructure. Every occupier, from a 60 square metre specialty shop to a full-line supermarket, takes supply from the same parent meter and the same on-site distribution system. The landlord has already invested in that system on the basis that all occupiers use it. Unwinding individual tenants is rarely economic for either party. A Coles, Woolworths, Kmart, Big W or similar national retailer has no more practical choice of retailer than the florist next door — but it has a procurement team, a national energy strategy and the ability to threaten a direct connection or a lease negotiation over electricity pricing.

If large-use customers remain unregulated, the predictable outcome is that those national retailers will use that bargaining power to push their rate toward the landlord's bulk buy price, while specialty tenants continue to pay the published L1 tariff. Smaller property owners — family trusts, private syndicates and

single-asset owners who do not have any market power against these types of national tenants — will be the ones who are forced to absorb that discount. The shared network ongoing costs will still have to be paid for and any shortfall will either fall on the owner, or in most cases be shifted onto the smaller tenants through increased rent and outgoings to minimise the financial impact on the Landlord. We don't view this as a fair or efficient result.

Our own operating data is consistent with this where a SPN services a typical WA shopping centre. The majority of electricity volume, and the majority of any on-selling margin that supports the cost of the network sits with a small number of major tenants. Specialty shops are already charged by reference to the L1 tariff. The commercial risk under the draft is not that owners will overcharge small shops, it is morseo that sophisticated large users will seek to extract a discount that smaller owners cannot obtain, and that the economics of the shared SPN will then fail for all tenants and undermine the owners previous investment into electricity infrastructure at the property.

We therefore restate the recommendation made in May 2026: in multi-tenanted commercial premises, all tenants should be required to take supply through the SPN, and electricity charges should be aligned to the government-regulated business tariffs (L1 or L3, as applicable to consumption).

We also believe that the concept of Special Tariffs will not be workable and actively discourage investment in renewables such as solar power. When delivering medium to large scale solar power systems at commercial sites, detailed feasibilities based on current usage and government set tariff rates are completed prior to a final investment decision. If the sell rate is not known, and subject to negotiation with a tenant, these types of environmental initiatives are unlikely to be successful and discourage the investment in reducing the carbon footprint and grid electricity usage of these commercial assets.

The above would:

- Give every tenant, large and small, the same published tariff reference point and remove a two-tier market.
- Prevent national retailers using superior bargaining power against smaller property owners.
- Protect the capital already invested in shared electrical infrastructure.
- Reduce disputes and the need for tenant-by-tenant price negotiation and prove to be totally transparent for customers.
- Encourage future investment in renewables at commercial assets.

2. Connection to the SPN should be mandatory in multi-tenanted commercial premises

Clause 30 of the draft (facilitation of a licensed-network connection for customers above 50 MWh) further weakens the shared-network model. A national supermarket does not need a statutory facilitation right in order to be protected. What it creates is a standing threat that can be used in rent and energy negotiations, even where a separate connection would impose cost and inefficiency on the rest of the centre.

If a retailer does not wish to occupy a centre that operates an SPN, it can choose not to take a lease there. Once it does take a lease, it should take supply through the network that serves the building, on the same published tariff basis as every other occupier.

3. Disclosure and form of the SPN agreement

We welcome the decision that non-residential disclosure need not follow a prescribed form as the required Schedule 2 information can be built into existing leasing documents, however we would see merit in a short form agreement being provided to the industry for use.

A short model SPN agreement schedule, suitable for annexure to a commercial lease and capable of only limited site-specific amendment, would cut legal cost and dispute for both owners and tenants and improve industry compliance with these measures.

The transitional arrangements in the draft (existing contracts, disclosure on request only for pre-1 July 2027 agreements, and the six-month billing-system period) are practical and should be retained.

Recommendations

1. Apply the standard L1 / L3 tariff construct to all customers in a multi-tenanted commercial SPN, including customers who consume more than 160 MWh in a 12-month period. Remove the large-use price-regulation exemption for this class of premises.
2. Require tenants in multi-tenanted commercial premises to take supply through the SPN. Confine any licensed-network facilitation right so it cannot be used as a bargaining lever against the owner of a shared network.
3. Remove concept of Special Tariffs in order to genuinely encourage owners to continually invest in environmental improvements and renewables at the assets.
4. Integrate non-residential disclosure into a short model SPN agreement schedule, suitable for annexure to a commercial lease.
5. Retain the current transitional arrangements.

Thank you for the opportunity to comment.

Yours sincerely

ADAM O'DONOGHUE
Director